

FINANCIAL SUMMARY

Years Ended December 31,	2002	2001	2000	1999	1998
BALANCE SHEETS					
ASSETS:					
Utility plant, net	\$1,345,435,582	\$1,300,035,639	\$1,242,167,417	\$1,156,236,906	\$1,072,654,414
Capitalized purchased power commitment	50,279,621	56,947,942	65,855,587	73,854,788	81,330,278
Restricted assets	240,881,958	243,432,809	73,780,909	62,528,127	60,129,933
Current assets	190,990,153	155,835,416	146,129,452	178,517,210	130,463,176
Other assets	377,433,352	454,709,681	113,755,299	94,727,946	84,168,892
Total assets	\$2,205,020,666	\$2,210,961,487	\$1,641,688,664	\$1,565,864,977	\$1,428,746,693
LIABILITIES & EQUITY:					
Long-term debt, net	\$1,365,447,879	\$1,683,202,477	\$1,023,192,505	\$ 957,857,015	\$ 830,973,490
Noncurrent liabilities	67,994,521	63,771,698	63,952,994	71,956,101	75,958,677
Current liabilities	452,101,465	143,606,465	179,361,400	120,898,099	121,460,514
Deferred credits	21,216,712	20,255,473	1,715,984	1,874,714	2,069,189
Equity	298,260,089	300,125,374	373,465,781	413,279,048	398,284,823
Total liabilities & equity	\$2,205,020,666	\$2,210,961,487	\$1,641,688,664	\$1,565,864,977	\$1,428,746,693
STATEMENTS OF REVENUES AND EXPENSES					
OPERATING REVENUES:					
Residential	\$ 211,964,191	\$ 178,129,446	\$ 148,343,023	\$ 142,542,347	\$ 134,622,904
Commercial	238,263,423	198,578,662	159,202,753	141,105,588	135,685,224
Industrial	63,204,524	58,894,805	47,085,945	45,891,368	50,234,594
Governmental	50,287,136	41,905,626	33,669,484	37,766,052	37,360,320
Sales for resale	—	—	—	—	1,556,314
Unbilled revenue - net change	(1,287,056)	25,928,733	3,277,080	629,526	1,166,004
Total retail power revenues	562,432,218	503,437,272	391,578,285	367,934,881	360,625,360
Short-term wholesale power revenues ^A	112,795,762	73,899,346	99,168,112	—	—
Other power-related revenues ^A	21,110,534	44,303,333	11,101,230	—	—
Other	12,991,925	10,814,019	3,781,072	4,815,884	3,287,770
Total operating revenues	709,330,439	632,453,970	505,628,699	372,750,765	363,913,130
OPERATING EXPENSES:					
Long-term purchased power ^A	223,668,647	151,213,357	79,304,610	79,984,055	79,999,162
Short-term wholesale power purchases ^A	23,153,996	218,781,800	212,402,254	(18,865,574)	17,105,639
Amortization of deferred power costs	100,000,000	—	—	—	—
Other power expenses	8,147,996	16,143,942	5,504,322	4,508,274	3,716,008
Generation	18,546,296	17,012,159	25,665,927	31,071,778	31,019,177
Transmission ^A	35,352,620	25,820,801	21,726,234	20,960,408	19,866,792
Distribution	37,649,578	38,122,827	34,523,307	37,138,587	35,974,507
Customer service	27,566,006	27,539,641	22,179,214	19,710,363	23,677,460
Conservation	9,514,572	8,887,010	6,972,547	6,794,306	5,688,038
Administrative and general	40,315,379	40,030,657	37,020,250	43,310,839	37,831,932
Taxes	60,173,889	52,565,660	42,860,055	38,661,079	38,162,001
Depreciation	66,485,780	61,538,960	55,498,917	54,022,390	54,213,420
Total operating expenses	650,574,759	657,656,814	543,657,637	317,296,505	347,254,136
Net operating income (loss)	58,755,680	(25,202,844)	(38,028,938)	55,454,260	16,658,994
Gain on sale of Centralia steam plant	—	—	29,639,799	—	—
Other income (expense), net	357,968	(1,048,013)	(240,039)	(3,907,245)	(1,214,197)
Investment income	10,110,004	13,275,220	9,753,106	4,140,404	7,222,664
Total operating and other income (loss)	69,223,652	(12,975,637)	1,123,928	55,687,419	22,667,461
INTEREST EXPENSE:					
Interest expense	84,933,182	79,584,722	53,651,607	46,952,066	42,809,590
Amortization of debt expense	2,717,316	1,786,694	5,054,837	5,208,932	5,356,167
Interest charged to construction	(3,592,785)	(5,710,936)	(5,553,780)	(4,212,048)	(2,921,783)
Net interest expense	84,057,713	75,660,480	53,152,664	47,948,950	45,243,974
FEES, GRANTS, AND TRANSFERS ^B	12,968,776	15,295,710	—	—	—
Net income (loss)	\$ (1,865,285)	\$ (73,340,407)	\$ (52,028,736)	\$ 7,738,469	\$ (22,576,513)

^A Beginning in 2001, wholesale power and power-related sales have been recorded as operating revenues. Prior to 2001, these sales were recorded as offsets to power and transmission expenses. Amounts for 2000 were restated to conform to the new presentation. Amounts for years prior to 2000 have not been restated.

^B Fees, grants, and transfers were reported as nonoperating revenues beginning in 2001 due to the adoption of GASB Statement No. 33. Prior to the implementation of this standard, capital fees from private sources were reported as a component of equity as contributions in aid of construction, while grants and transfers were reported as offsets to expenses.

Note: Certain other 2001 account balances have been reclassified to conform to the 2002 presentation.

INTEREST REQUIREMENTS AND PRINCIPAL REDEMPTION ON LONG-TERM & SHORT-TERM DEBT As of December 31, 2002

Years	Prior Lien Bonds			Subordinate Lien Bonds		Revenue Anticipation Notes	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2003	\$ 37,030,000	\$ 69,338,346	\$ 106,368,346	\$ 3,585,000	\$ 1,571,284	\$ 307,210,000	\$ 7,324,362
2004	48,100,000	67,340,816	115,440,816	4,115,000	1,336,089	—	—
2005	49,936,000	64,862,402	114,798,402	4,445,000	1,294,522	—	—
2006	53,480,000	62,460,798	115,940,798	4,775,000	1,216,303	—	—
2007	56,145,000	59,792,255	115,937,255	5,305,000	1,149,689	—	—
2008	58,855,000	57,084,588	115,939,588	5,840,000	1,077,253	—	—
2009	62,045,000	53,902,334	115,947,334 ^A	6,270,000	999,261	—	—
2010	65,410,000	50,533,620	115,943,620	6,705,000	904,385	—	—
2011	60,310,000	47,507,157	107,817,157	7,345,000	825,760	—	—
2012	60,415,000	44,224,032	104,639,032	7,785,000	704,534	—	—
2013	63,000,000	40,843,256	103,843,256	8,425,000	587,263	—	—
2014	63,280,000	37,402,106	100,682,106	8,865,000	467,021	—	—
2015	63,690,000	33,952,938	97,642,938	9,410,000	336,481	—	—
2016	64,180,000	30,432,913	94,612,913	7,755,000	222,783	—	—
2017	64,050,000	26,903,137	90,953,137	2,600,000	127,175	—	—
2018	62,915,000	23,748,162	86,663,162	2,750,000	88,669	—	—
2019	59,415,000	20,357,037	79,772,037	1,300,000	49,382	—	—
2020	57,090,000	17,144,992	74,234,992	1,355,000	30,186	—	—
2021	54,550,000	14,126,413	68,676,413	1,410,000	10,194	—	—
2022	53,100,000	11,155,566	64,255,566	—	—	—	—
2023	52,505,000	8,264,274	60,769,274	—	—	—	—
2024	53,085,000	5,402,781	58,487,781	—	—	—	—
2025	36,430,000	2,699,148	39,129,148	—	—	—	—
2026	30,130,000	772,081	30,902,081	—	—	—	—
Totals	\$1,329,146,000	\$850,251,152	\$2,179,397,152	\$ 100,040,000	\$12,998,234	\$307,210,000	\$ 7,324,362

^A Maximum debt service—see Note 3 on page 36.

^B Based on actual interest rates in effect as of December 31, 2002 ranging from 1.20% to 1.51%.

DEBT SERVICE COVERAGE: PRIOR LIEN BONDS Years Ended December 31,

	Revenue Available for Debt Service	Debt Service Requirements	Debt Service Coverage
2002	\$177,824,771 ^A	\$110,664,535	1.61
2001	87,604,015 ^B	61,552,303	1.42
2000	104,629,835	83,205,503	1.26
1999	143,335,963	75,394,637	1.90
1998	105,024,128	69,898,371	1.50

^A Operation and maintenance expenses in 2002 include \$100 million for amortization of a portion of \$300 million in power costs deferred in 2001, reducing revenue available for debt service by that amount.

^B Operation and maintenance expenses in 2001 exclude \$300 million in deferred power costs, incurred in 2001, increasing revenue available for debt service by that amount.

